

**REQUEST FOR INFORMATION
REGARDING AN INNOVATIVE PROJECT DELIVERY APPROACH
FOR THE ILLIANA CORRIDOR PROJECT
COOPERATIVELY BETWEEN THE ILLINOIS DEPARTMENT OF TRANSPORTATION (“IDOT”)
AND INDIANA DEPARTMENT OF TRANSPORTATION (“INDOT”)**

RFI Issuance Date: May 29, 2013

RFI Response Date and Overview: This Request for Information (RFI) is being issued consistent with the provisions of the Illinois Procurement Code, 30 ILCS 500/1 *et seq.* The RFI is intended, in part, to provide an opportunity to receive industry feedback prior to and at the Industry Forum and associated one-on-one meetings with industry participants scheduled for June 24 and 25, 2013 at the Donald E. Stephens Convention Center in Rosemont, Illinois. Responses should be submitted by 5:00 PM CDT on June 20, 2013. Written Responses should be no longer than 10 pages utilizing a font no smaller than size 12. Marketing materials are not to be submitted as part of a written response.

Additionally, respondents are encouraged to request a one-on-one meeting to discuss their response and provide further input to IDOT and INDOT (the “Departments”) in conjunction with the scheduled industry forum to take place on June 24 and 25. There will be a limited number of available one-on-one meetings and respondents must submit a request for a one-on-one meeting by 5:00 PM CDT on June 10, 2013 via the meeting registration website www.IllianaCorridor.org/p3. The Departments intend to conduct as many one-on-one meetings as possible time permitting; however, the Departments do not guarantee a one-on-one meeting and will determine with whom to meet at their respective discretion. Respondents will be notified of acceptance of a one-on-one meeting by 5:00 PM CDT on June 13, 2013.

1. INTRODUCTION

The Departments are issuing this RFI in order to elicit responses to the questions presented herein and to provide an opportunity for industry input on the overall procurement process in connection with the Illiana Corridor Project (the “Project”).

The purpose of this RFI is to generate responsive information to help the Departments

confirm and/or refine certain assumptions in connection with innovative procurement and delivery of the Project. This RFI is intended solely to obtain such information to assist the Departments on an administrative level. The Departments will consider responses to this RFI in connection with the evaluation of delivery options and the further development of a financial plan for the procurement process.

This RFI does not constitute a Request for Qualifications (“RFQ”), a Request for Proposals (“RFP”), or other solicitation, nor does it constitute the commencement of any other type of procurement process for the Project. Moreover, it does not represent a commitment to issue an RFQ or an RFP in the future. Therefore, those choosing to respond to this RFI will not, merely by virtue of providing any manner of response, be deemed to be “bidders” on the Project in any sense, and no such respondent will have any preference, special designation, advantage or disadvantage whatsoever in any subsequent procurement process related to the Project.

Discussions held during one-on-one meetings will be noted and recorded in the procurement file but will be protected from disclosure to the extent allowable under governing state law(s), until the Project achieves successful financial close. Proprietary and/or confidential information shared in one-on-one meetings or in writing will enjoy the same protection. However, as described in Section 7 below, respondents must clearly mark or otherwise indicate which information they deem to be proprietary and/or confidential, provide concise substantive explanation as to why the information is confidential or proprietary, and provide documentation for such designation. Respondents wishing only to submit written responses but not requesting one-on-one meetings will be afforded the same ability to protect proprietary and/or confidential information as noted above.

Further, if an RFQ is issued in the future, interested firms should be prequalified in both Illinois and Indiana. For additional prequalification information, please visit the appropriate Department of Transportation’s website at www.dot.il.gov or www.in.gov/indot/

2. THE PROJECT

The Project is currently undergoing study in accordance with the National Environmental Policy Act (NEPA). A Tier I Environmental Impact Statement (EIS) has been prepared and a Record of Decision (ROD) was issued by the Federal Highway Administration on January 17, 2013. The Tier II ROD is on schedule for completion in March, 2014. The Tier I alternative known as “Corridor B3” has been selected as the preferred alternative in accordance with NEPA.

Corridor B3 is a new location 46.8 mile long east-west limited access toll road corridor that connects I-55 north of the City of Wilmington, Illinois, with I-65 north of the Town of Lowell, Indiana. Corridor B3 is generally 2,000 feet wide along the entire length,

except for short lengths with reduced width to avoid federally protected species and dense residential development in the City of Wilmington, Illinois, and the Village of Symerton, Illinois. Corridor B3 is wider than 2,000 feet in three other locations, primarily in order to maximize opportunities for the development of system interchanges at I-55, I-57, and I-65. Service interchanges are also being studied at other locations. As the NEPA process continues the 2,000 foot corridor will narrow in accordance with appropriate NEPA and proper planning processes.

For the selected corridor, there are approximately 33 locations where the alignment would cross over a stream via a bridge or large culvert, which includes the major crossing of the Kankakee River. There are approximately six locations where the selected corridor would cross existing railroads, and approximately 48 locations where it would cross an existing roadway. In total, there are approximately 87 potential grade separations including bridges and culverts that could be required for the selected corridor.

The conceptual type and size of each bridge or culvert associated with the selected corridor will also be determined and evaluated in greater detail in the Tier II NEPA studies.

Tolling will be a key element of the Project. An All Electronic Open Road Tolling system will be utilized on the corridor.

Prior to or during construction, utilities in the corridor will need to be relocated. Utilities in the area include electric, water, cable/internet, natural gas and sewer. The Departments have identified parties with utility interests in the Project corridor.

It is anticipated that the Project will include some element of federal funding. Therefore, FHWA provisions, policies, and procedures will apply as applicable.

For the most recent information on any planning and/or engineering details please visit the Project website at www.illianacorridor.org.

3. BACKGROUND

The Departments are considering procuring and delivering the Project under a P3 model which may include a Design-Build-Finance-Operate-Maintain ("DBFOM") approach. The payment structure for the Project has yet to be determined. The Departments are evaluating various structures, including, but not limited to, toll concession and availability payment concession approaches. Private financing is expected to be a part of the delivery method ultimately chosen. The Departments' objective is to develop the entire Project through a single procurement implemented collaboratively by IDOT and INDOT. However, feedback is appreciated with respect to the technical and financial feasibility of two separate procurements, one for the Illinois segment and one for the

Indiana segment, and the respective benefits and challenges of both of these procurement approaches.

4. RFI REVIEW AND PRELIMINARY PROJECT SCHEDULE

The Departments anticipate reviewing and evaluating both written and verbal responses in order to refine certain assumptions related to different procurement and delivery alternatives. This RFI does not commit the Departments to any specific form of procurement, including a potential P3 procurement. The responses will be used to inform the Departments' decision on how to best implement the Project.

The following is a preliminary schedule if an innovative procurement is pursued.

| Milestone | Date |
|-------------------|------------------|
| Publish RFQ | Late Summer 2013 |
| Publish Final RFP | Spring 2014 |
| Contract Award | Summer 2014 |
| Commercial Close | Fall 2014 |

5. DBE PARTICIPATION

DBE participation is anticipated on all elements of the Project, including long term concessionaire responsibilities. The Departments will set DBE participation goals in accordance with the respective plans developed by each State, or under a joint plan, for this Project.

6. INFORMATION REQUESTED

The Departments would like to receive non-binding views, opinions, and feedback of respondents on the innovative delivery models and potential project configurations under consideration by the Departments, as well as the technical aspects and financial and commercial terms, as they apply to the Project. The Departments intend to use the information gathered through responses to this RFI in refining their collective approach to the selected procurement and project delivery method for the Project. Follow-up questions, or requests to clarify comments, may be posed directly to respondents.

1. **General**

- 1.1. What potential interest do you represent in relation to this project (i.e. design/engineering firm, construction firm, operations and maintenance firm, lender, equity investor, developer)?

2. Project Governance, Delivery, and P3 Legislation

- 2.1. The following applicable P3 enabling legislation has been enacted: Illinois—Public Private Agreements for the Illiana Expressway Act (605 ILCS 130/1 *et seq.*); and Indiana—Indiana Code 8-15-2-4. Do you have particular concerns with the legislation in either State? Do you have any proposed solutions or mitigants to address these concerns?
- 2.2. Do you have any particular concerns regarding the bi-state nature of the project?
- 2.3. The Departments are evaluating possible governance structures and procurement approaches to manage the delivery of the project based on potential commercial and financial structure. Options range from proceeding with two distinct procurement processes (one in each State) to establishing a bi-state entity that would be responsible for managing the procurement process for the entire project. Based on your firm/team's experience and on your review of the enabling P3 legislation in each State, please indicate the form of governance that you see as being most beneficial should the project be procured as a long-term concession. Please indicate how your preference would vary depending on the type of project delivery approach noted above.

3. Commercial Structure

- 3.1 Should the project advance as a DBFOM, there are two general potential approaches for transferring revenue risk that the departments are considering:
- **Approach #1:** toll revenue concession, whereby traffic and toll revenue risk is transferred to the private sector
 - **Approach #2:** availability payment concession, whereby the Departments retain traffic and revenue risk and compensate the private sector through availability payments
- 3.1.1. Toll concession approach:
- Please provide comments on the most efficient (e.g., during construction, at project completion, etc) use of public funds that may be provided by the respective departments.
 - What concession period would you suggest (e.g., 50 years) and why?

- If the Departments pursue a toll concession for the Project, what are the key factors that you will consider in determining whether or not to participate in the Project?

3.1.2. Availability payment approach:

- Do you believe the Project lends itself to effective use of an availability payment structure? Why or why not?
- Provide comments on sources of funding, including your views on using toll revenues as the first source of payment. What concerns would you have with this approach?
- What would you recommend to achieve a level of comfort with respect to appropriation risk for both Indiana and Illinois?
- If the Departments pursue an availability payment approach for the Project, what are the key factors that you will consider in determining whether or not to participate in the Project?

3.2 What adjustments to the Project scope would you consider/recommend to reduce the overall project costs?

4. **DBE/SBE**

4.1 Is your firm a Small Business Enterprise (“SBE”) or a Disadvantaged Business Enterprise (“DBE”)? If so, please provide any suggestions or comments on the possibility of the Departments facilitating a forum for SBEs and DBEs to develop teaming opportunities with prime contractors.

5. **Schedule**

5.1. Does the schedule outlined in Section 4 of this RFI appear to be reasonable?

5.2. How much time should be allocated to the RFP process? Does this vary depending on the procurement approach taken (i.e., toll concession versus availability payment)?

5.3. What in your experience are the critical path items?

6. **Technical**

6.1. Truck traffic is expected to account for about 50% of total traffic. In what ways would this impact your firm/team’s design for the roadway?

- 6.2. Please comment on your experience with assuming the responsibility, obligation, and risk associated with acquiring right of way. Based on the information provided, do you anticipate that private procurement is a viable option for this Project, particularly if the associated costs are included as part of the up-front Project financing.

7. Financial

- 7.1 The Departments are considering the use of milestone payments to offset a portion of the funding requirement. Please comment on the benefits and costs of using milestone payments versus progress payments. Please outline how you would see progress payments being structured under a P3 agreement.
- 7.2 Should the Departments consider obtaining an allocation of Private Activity Bonds (PABs) from FHWA/USDOT to assist in financing the Project? If so, please comment on your familiarity with PABs and the benefits of using PABs versus other forms of debt financing in the current market.
- 7.3 The Departments are considering submitting a TIFIA financing request. Please comment on the potential value of TIFIA in financing the Project, and the magnitude of potential cost savings. Do the benefits of TIFIA outweigh any potential timing and inter-creditor challenges? Please explain.

8. Operations, Maintenance, and Lifecycle Responsibilities

- 8.1. Should the Departments consider allocating responsibility for toll processing and/or account handling to the concessionaire? What are the benefits and drawbacks of such an approach relative to the Illinois Tollway, or other established vendor, carrying those obligations?
- 8.2. The project will utilize all electronic open road toll technology. Are you capable of providing and managing such a system? What tolling enforcement suggestions do you have to ensure that toll violations are appropriately enforceable?

7. CONFIDENTIALITY/PUBLIC RECORDS LAWS

Respondents are advised that all materials submitted by a respondent in response to this RFI are public records subject to both the Illinois Freedom of Information Act ("Illinois FOIA"), 5 ILCS 140/1 et seq., and the Indiana Access to Public Records Act, IC 5-14-3 and relevant provisions of IC 8-15.5-4-2, 6 and 13 ("Indiana APRA"), and any other laws and regulations applicable to the disclosure of documents submitted under this RFI (collectively, the "Public Records Laws"). The respective Departments may disclose the

contents of all responses to this RFI, except to the extent that a portion of the response may be treated as confidential in accordance with applicable Public Records Laws and the instructions provided below. By registering and participating in a one-on-one meeting with the Departments, each respondent consents to such disclosure and expressly waives any right to contest such disclosure under applicable provisions of the Public Records Laws. In no event shall the Departments or any of their respective agents, representatives, consultants, directors, officers or employees be liable to a respondent or any other party for the disclosure of any materials or information submitted in response to this RFI, including any materials marked "CONFIDENTIAL," whether the disclosure is deemed required by law or by an order of court or occurs through inadvertence, mistake or negligence on the part of that Department or its officers, employees, contractors or consultants.

Respondents are also advised that the Public Records Laws may exempt certain portions of the responses from public disclosure and permit confidential treatment by the Departments. In particular, Sections 7(1)(g) of the Illinois FOIA and Sections 5-14-304(a)(4) and (5) of the Indiana APRA exempt from disclosure certain trade secrets and commercial and financial information. If a respondent has special concerns about information that it desires to make available to the Departments, but which the respondent believes is exempted from disclosure, such respondent shall specifically and conspicuously designate that information in writing and by placing "CONFIDENTIAL" in the header or footer of each such page affected, together with a concise written explanation as to why the information is exempt from disclosure. No oral designations of any kind will be accepted. Blanket written designations that do not identify the specific information are not acceptable and may be cause for the Departments to treat the entire response as public information.

The Departments will not advise a respondent or other party as to the nature or content of documents entitled to protection from disclosure under the Public Records Laws, as to the interpretation of such laws, or as to definition of trade secret. Nothing contained in this provision shall modify or amend requirements and obligations imposed by the Public Records Law. With respect to Illinois law, the provisions of the Illinois FOIA shall control in the event of a conflict between the procedures described above and the Illinois FOIA; and with respect to the Indiana law, the provisions of the Indiana APRA shall control in the event of a conflict between the procedures described above and the Indiana APRA.

In the event of any proceeding or litigation concerning the disclosure of any response or portion thereof, the respondent shall be responsible for otherwise prosecuting or defending any action concerning the materials at its sole expense and risk; provided, however, that the Departments reserve the right, in their sole and respective discretion, to intervene or participate in the litigation in such manner as it deems necessary or desirable. All costs and fees (including attorneys' fees and costs) incurred by the

Departments in connection with any litigation, proceeding or request for disclosure shall be reimbursed and paid by the respondent whose response is the subject thereof.